

Publicly supported organization rulings; time requirement for existence. In determining whether an incorporated organization meets the time requirement provided by sections 1.170A-9(e)(4)(vi) and 1.509(a)-3(c)(1)(iv) of the regulations to entitle it to be issued a ruling on the question whether it is publicly supported, the period of time a predecessor unincorporated association operated will be taken into consideration where incorporation has been the only significant change in the organization.

An organization described in section 501(c)(3) of the Internal Revenue Code of 1954 is not a private foundation within the meaning of section 509 if it is also described in section 170(b)(1)(A) (other than in clauses (vii) and (viii)). An organization described in section 170(b)(1)(A)(vi) is one which usually receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 501(a)) from a governmental unit referred to in section 170(c)(1) or from direct or indirect contributions from the general public.

Advice has been requested whether in the circumstances set out below an organization described in section 501(c)(3) of the Code satisfies the time requirement prescribed under the provisions of sections 1.170A-9(e)(4)(vi) and 1.509(a)-3(c)(1)(iv) of the Income Tax Regulations so that the organization may be issued a ruling on the question whether it is publicly supported.

An organization described in section 501(c)(3) of the Code incorporated under State law after having operated as an unincorporated association for a period of time. Except for incorporation, there was no other significant change; the control of the organization, its purposes, methods of operation, sources of support, and accounting methods remained the same.

Section 1.170A-9(e)(4)(vi) of the regulations, provides, in effect, that an organization, which has been in existence for at least 1 taxable year consisting of 8 or more months, may be issued a ruling that it is a publicly supported organization described in section 170(b)(1)(A)(vi) of the Code.

Held, where incorporation has been the only significant change, the period of time that the predecessor operated will be taken into consideration in determining whether the subject organization is entitled to a ruling under section 1.170A-9(e)(4)(vi) of the regulations.

Held further, where the only change has been one of incorporation, the period of time that the predecessor organization has operated will be taken into consideration in determining whether an organization is entitled to a ruling that it is an organization described in section 509(a)(2) of the Code

under the provisions of section 1.509(a)-3(c)(1)(iv) of the regulations.